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THE WHEAT SITUATION
Including Rye

Summary

A smaller world wheat crop is in prospect this year. Acreage has been reduced--principally in the United States---and reports of growing conditions suggest a world crop 1/ somewhat smaller than the large crop of last year. This would at least partly offset the much larger carry-over in prospect on July 1, 1939, as compared with last July. Prices have advanced in recent weeks, notably in the United States, where current quotations are the highest since early last summer. Domestic prices have advanced largely on reports of poor growing conditions in parts of the Southwest and drought conditions in the spring wheat area.

The acreage of wheat for harvest in 1939, in the 23 countries reporting, is estimated to be about 192 million acres, compared with 206 million acres in these countries last year. Reduced acreages in the United States and in India account for the entire reduction. The totals for 15 European countries reporting and for Northern African countries indicate increases in acreage. In Canada a slight increase in acreage of spring wheat is in prospect.

Growing conditions in Canada are generally less favorable this season than last. Crop conditions in Europe are varied. Prospects in western Europe seem less favorable than at this time last year, but in

1/ All references to world production and stocks in this report exclude Soviet Russia and China, except where noted.

the exporting countries of the Danube Basin, and in Italy, the outlook is favorable. The outturn in Northern Africa is also expected to be good. In many sections of Argentina drought has interfered with the seeding of the crop and the total acreage is expected to be smaller than that of last year. In some areas of Australia, also drought is restricting seeding.

In the United States, drought throughout most of the spring wheat belt in April continued during the first 3 weeks in May. Rainfall in the first 3 weeks of May was only about one-third of normal in much of this area. It is yet too early to predict the yield of spring wheat, but present indications are for a yield no higher than the average of the past 10 years. (This period includes a number of drought years.) With this assumption, and with the winter wheat crop indicated on May 1 at 544 million bushels, the wheat crop this year would total about 700 million bushels. A crop of this size, together with the prospective carry-over of about 275 million bushels, which includes insurance wheat, would give a total domestic wheat supply for 1939-40 of slightly less than 1 billion bushels. This compares with a supply for the 1938-39 season of 1,084 million bushels.

During the past week the Commodity Credit Corporation announced a wheat loan program for 1939 similar to that of 1938. Loan rates represent from 75 to 80 percent of the average price received by farmers for their wheat during the past 10 years. The rates are equivalent to between 54 and 55 percent of parity. (Parity on April 15 was 111.4 cents). With a larger percentage of wheat farmers eligible for loans this year, the program may give more support to wheat prices than it did last year.

THE WORLD WHEAT SITUATION IN 1938-39

BACKGROUND.- Total world supplies of wheat increased sharply from 1924 to 1933, largely as a result of increased acreage. From 1933 to 1936 world supplies declined, following successive years of small production and increased world demand. World supplies increased slightly in 1937 and sharply in 1938, when supplies totaled 5,191 million bushels,—the largest on record. Total world shipments of wheat averaged 751 million bushels for the period 1923-37, reached a peak of 913 million bushels in the year beginning July 1928, and then declined sharply, largely as a result of the measures taken by importing countries to reduce the use of foreign wheat.

During the period 1924-33, world wheat prices declined, chiefly as a result of the general decline in industrial activity and commodity prices. World wheat prices moved steadily upward from the spring of 1933 to the summer of 1937, reflecting a world wide recovery in commodity price levels and reduced production. The world price for the 1937 crop remained practically unchanged from that of a year earlier. In 1938 world prices declined sharply, due to increased world production and weakness of demand.

Smaller world wheat crop in prospect

The acreage of wheat for harvest in 1939, in the 23 countries reporting, (Table 1) is estimated to be about 192 million acres, compared with 206 million acres in these countries last year. This indicates a reduction of 7 percent from the acreage harvested in 1938. Last year the acreage in these 23 countries represented about 85 percent of the total wheat acreage harvested in the Northern Hemisphere, excluding Soviet Russia and China. Reduced acreages in the United States and in India account for the entire reduction. The totals for 15 European countries reporting and for Northern African countries indicate increases in acreage.

Acreage of all wheat for harvest in Canada, based on intentions to plant spring wheat, and winter wheat acreage remaining for harvest, is virtually unchanged from that of last year. The Dominion Bureau of Statistics at Ottawa reports, as of May 1, that the 1939 intended acreage of spring wheat in Canada is 25,335,700 acres, compared with the 1938 harvested acreage of 25,188,400 acres. Spring work in the Prairie Provinces was nearly normal by May 1. Since then the weather has been favorable for field work, but less favorable for germination and plant development. Seeding is further advanced than at this time last year. Soil moisture has been reported as low in southern Manitoba and central and southern Alberta. Severe damage from dust storms has been reported from parts of Saskatchewan. Factors favorable to the crop are the large percentage of the crop sown on land which was summer-fallowed last year, and the increased seedings of rust-resistant varieties.

Table 1.- Wheat acreage in specified countries, 1937-39

(acreage sown, except as otherwise noted)

Country and item	1937	1938	1939
	1,000 acres	1,000 acres	1,000 acres
Wheat			
United States .			
Winter 1/	46,978	49,711	38,936
Spring 1/	17,444	20,510	2/ 16,600
Canada, all wheat 1/	25,570	25,930	3/ 25,993
Total (2 countries)	89,992	96,151	81,529
Belgium 4/	422	428	446
Czechoslovakia 4/5/	1,337	1,426	1,410
England and Wales	1,732	1,807	1,664
France 4/ 6/	12,772	12,353	12,249
Germany 4/ 7/	4,579	4,577	4,714
Greece	2,117	2,062	2,320
Italy	12,909	12,530	12,840
Latvia 4/	170	167	180
Lithuania 4/	379	357	361
Poland 4/	3,590	3,801	3,835
Portugal 4/	1,219	1,236	8/ 1,421
Total (11 countries)	41,226	40,744	41,440
Bulgaria 4/	2,845	2,874	3,025
Hungary 4/5/	4,054	9/ 4,398	9/ 4,374
Rumania 4/	7,964	8,797	8,649
Yugoslavia 4/	5,335	5,337	5,236
Total (4 countries)	19,838	21,406	21,284
Total (15 European countries)	61,112	62,150	62,724
Africa:			
Morocco	3,027	2,906	8/ 2,990
Algeria	4,311	4,161	8/ 4,460
Tunisia	2,429	1,667	2,125
Egypt	1,421	1,470	1,503
Total (4 countries)	11,188	10,204	11,078
India (May estimate)	33,049	35,343	34,692
Japan	1,776	1,777	1,830
Total (23 countries)	197,117	205,625	191,853
Estimated Northern Hemisphere total, excluding Soviet Russia & China	234,100	239,600	

1/ Acreage harvested or for harvest. 2/ Acreage for harvest not yet officially estimated; intended plantings less average abandonment for 1929-38, excluding the years 1934 and 1936, when abandonment was heavy. 3/ Intentions to plant spring wheat, plus winter wheat remaining for harvest. 4/ Winter wheat. 5/ New boundaries. Figure for 1937 is an estimate based on the percentage relationship between the old boundary acreage in 1937 and 1938. 6/ Area sown up to January 1. 7/ Excluding Austria. 8/ Estimate of the Paris office of the Department of Agriculture. 9/ Estimate of the Belgrade office of the Department of Agriculture.

Crop conditions in Belgium, the Netherlands, Western Germany, the Scandinavian countries, and France are still below average, and the production in these countries may be expected to be considerably below the record crop of 1938.

In Italy the winter wheat is reported to be in good to excellent condition. In England and Wales, cold weather during the last of April checked the growth of the crop and, while the condition is now generally satisfactory, in some parts of the country the wheat is discolored. The condition of the winter crop in Poland is a little above average. Conditions in the Danube Basin countries continue favorable. The crop in Bulgaria is reported in excellent condition. Conditions in both Hungary and Yugoslavia are very favorable. Private estimates in Rumania place the prospective wheat crop at a higher figure than the record crop of 1938.

In the central part of Soviet Russia, and in parts of the Ukraine, winter crops have suffered from unseasonably cold weather. General rains are needed for the proper development of both winter and spring crops. The seeding of spring crops has been making slow progress recently.

Crop prospects in northern Africa are, as a whole, favorable. In India the harvest is in progress. The second estimate of production is 364,500,000 bushels, or about 7 percent less than the record crop of last year.

The Bureau's office at Shanghai reports that the crop in Japan may exceed that of last year by 11 percent, if favorable weather should prevail to the end of the growing season. The Shanghai office reports that information relative to the crop in China is very indefinite, but that indications point to a crop larger than the small one of last year. Unsettled conditions restrict the movement of wheat to the large milling centers.

In Argentina there have been numerous reports of delayed seeding, because of droughty conditions. The office of the Agricultural Attache in Buenos Aires reports that early sown wheat in the Territory of La Pampa is a total loss, because of the drought. The condition of the crop is also poor in Southwestern Buenos Aires. In General, it is expected that the acreage seeded in Argentina this year will be smaller than that of last year. In Australia seeding is making fair progress, although parts of the south are too dry and parts of New South Wales are suffering from excessive moisture.

World wheat trade continues heavy

Shipments of wheat from Argentina, Canada, and the Danubian countries continued considerably larger during the last half of April and the first half of May than in the same period a year ago. There has apparently been some improvement in demand from the United Kingdom, as Great Britain has tended to increase imports at slightly higher prices.

The total surplus of wheat for export in Argentina on May 1 was about 180 million bushels, almost four times the surplus for export on that date last year. The surplus of wheat for export from Australia on May 1 was estimated at 59 million bushels, or 13 million bushels below the surplus of last year, and about 10 million bushels below the average for the past 5 years. The Canadian surplus for export on May 1 was much larger than in either of the past 2 years, but considerably smaller than the large surpluses for export in May 1935 and 1936.

Exports and shipments of wheat from important exporting countries during the period July 1 to early May are shown in tables 9 and 10. These figures indicate no material revision in the forecasts of exports from these countries made in the February issue. Total world exports for 1938-39 were then forecast at 564 million bushels, 10 percent larger than the exports in 1937-38. The increased movement so far this year has resulted from larger shipments from Canada, Argentina, and the Danubian countries.

United States exports of wheat and flour made wholly of domestic wheat in terms of grain totaled 85 million bushels from July 1, 1938, through March 1939, and shipments to insular possessions were about 2 million bushels. This compares with exports of 76 million bushels during the same period of last year. Total exports of wheat and flour made wholly from domestic wheat in the 1937-38 marketing year were 100 million bushels.

Table 2.-Wheat surplus for export or carry-over in three exporting countries, United Kingdom port stocks and stocks afloat, May 1, 1936-39 1/

Position	1936	1937	1938	1939
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Canada				
In Canada	203	68	45	153
In the United States	12	10	1	1
Argentina	42	34	49	183
Australia	51	56	72	59
Total	308	168	167	396
United Kingdom port stocks	10	12	10	24
Stocks afloat to:				
United Kingdom	14	14	15	11
Continent	10	24	12	15
Orders	8	13	15	7
Total	42	63	52	57
Grand total	350	231	219	453

1/ Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production, minus domestic utilization for the year, minus monthly exports to date.

Foreign prices improve slightly

After declining from January to early April, wheat prices in foreign markets have improved slightly since mid-April, probably due largely to the unfavorable prospects for the United States and Canadian wheat crops, and to some extent to the less favorable prospects for the European crop. The general trend of foreign prices during the next few months will be affected primarily by changes in prospects for the Northern Hemisphere wheat crop and to some extent by changes in weather conditions affecting the Argentine and Australian crops. The European political situation recently has become a less important factor in the world wheat situation. Unless new and more critical developments occur it will continue as a potential rather than an active factor for the next few months.

The weekly average prices of wheat at foreign markets have advanced less than prices at domestic markets during the past month. Prices of most classes of wheats at Liverpool advanced about 3 or 4 cents per bushel from late April to the middle of May. In this same period weekly average prices at domestic markets advanced 6 to 8 cents, May futures at Buenos Aires remained practically unchanged, and weekly average prices of May futures at Winnipeg advanced about 4 cents per bushel.

Table 3.- Prices of imported wheat at Liverpool

Date (Friday)	Hard wheats: U. S. (Gulf) No.1 Dk.Hd. Winter	Hard wheats: Canada: No. 3: Manitoba 1/	Soft wheats: U.S. (Pacific) White	Soft wheats: Argentine: Rosafe	Soft wheats: Australian 1/	Soft wheats: Rumanian
	Cents	Cents	Cents	Cents	Cents	Cents
1938						
Nov. 4	2/ 55.0	68.4	67.7	3/ 58.8	68.4	---
10	2/ 55.6	69.7	63.8	3/ 61.6	66.7	---
18	---	72.0	61.0	---	66.2	---
25	2/ 59.5	74.4	---	65.3	66.7	---
Dec. 2	2/ 59.2	76.0	62.8	65.8	---	---
9	65.6	76.6	64.4	---	69.3	---
16	4/ 63.5	75.5	---	62.6	64.2	---
23	64.9	73.6	---	62.3	---	---
30	68.0	76.3	---	63.2	65.4	---
1939						
Jan. 6	66.5	76.0	---	61.8	66.9	---
13	66.8	75.9	---	62.4	67.1	---
20	66.6	75.3	---	62.9	73.9	---
27	67.9	76.3	---	69.4	68.7	---
Feb. 3	68.7	76.0	---	63.6	69.5	---
10	68.1	74.3	---	61.9	67.4	---
17	67.7	76.2	---	62.2	66.6	---
24	---	75.5	---	60.1	64.9	---
Mar. 3	---	---	---	60.1	64.5	53.8
10	---	74.8	---	58.6	61.6	52.0
17	---	73.1	---	57.8	59.6	---
24	---	74.6	---	58.5	62.2	50.8
31	---	75.3	---	58.9	61.4	54.8
Apr. 7	---	73.9	---	58.9	62.9	54.9
14	---	---	---	58.9	65.1	55.6
21	---	72.4	---	60.3	66.5	---
28	---	73.9	---	60.7	68.7	---
May 5	---	76.1	---	63.3	69.5	---
12	---	75.3	---	62.5	69.5	---
19	---	75.0	---	61.8	69.5	---

1/ Empire wheat qualifying for Imperial Preference was exempted from duty (approximating 6 cents per bushel) prior to January 1, 1939, under Ottawa Agreements of November 1932.
2/ No. 2 Yellow Hard Winter. 3/ Barusso. 4/ No. 2 Dark Hard Winter.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carry-over of wheat in the United States, which for the 5 years 1924-28 averaged about 115 million bushels, increased to a record of 375 million in 1933. Four small crops in the years following, however, reduced stocks to about 100 million bushels by July 1, 1937. The domestic disappearance during the 10 years 1928-37 averaged about 680 million bushels.

Wheat exports from the United States declined steadily after the World War and because of droughts, imports were necessary from 1934 to 1936. The 1937 domestic crop was greatly in excess of domestic needs, the Canadian and Argentine crops were small, and about 100 million bushels of United States wheat were exported. In 1938 the domestic crop was again large, but foreign demand for domestic wheat is less favorable because of large crops in other exporting countries.

Domestic wheat prices from the spring of 1933 to that of 1937 were unusually high in relation to world prices. During the year beginning July 1936, both world and domestic prices advanced sharply as a result of increased demand and small supplies. Prices received by producers for the 1936-37 season averaged 103 cents per bushel, and for the 1937-38 season, 96 cents. Prices during the greater part of the current season have been substantially below those of a year earlier.

Slight decrease in winter wheat prospects

A winter wheat crop of 543,928,000 bushels was indicated by May 1 conditions. This is a decrease of 5,291,000 bushels, or about 1 percent from the April 1 indications. Production in 1938 was 686,637,000 bushels, and the 1928-37 average was 560,160,000 bushels.

The acreage of winter wheat remaining for harvest is estimated at 38,936,000 acres, or 22 percent below the 49,711,000 acres harvested last year. This acreage, however, is 2 percent above the 10-year (1928-37) average of 38,160,000 acres.

About 15.7 percent of the 46 million acres sown last fall has been abandoned, leaving about 39 million acres for harvest. This is considerably larger than the 11.8 percent abandonment last year, but is below the average for the past 10 years. Acreage abandonment was greater than last year in practically all sections of the country except in the Rocky Mountain States. It was estimated that about 24 percent of the acreage seeded in Kansas last fall would be abandoned, about 60 percent of the South Dakota acreage, about 27 percent of the Texas acreage, and about 17 percent of the Nebraska and California acreages. These abandonment figures include acreage loss by winter-kill, acreage diverted to uses other than for grain, and some diversion due to adjustments in seeded acreage to meet the requirements of the Agricultural Adjustment Act.

The May 1 prospects indicate a probable yield of 14.0 bushels per acre. The average yield per harvested acre in 1938 was 13.8 bushels and for the period, 1928-37, was 14.5 bushels per acre. While the yield per acre on May 1 was indicated to be slightly higher than a year ago in many of the Great Plains States, abandonment in this area has been greater, and the yield per seeded acre will probably be less than in 1938. In Montana, Idaho, Colorado, and Wyoming, indicated yields per acre for harvest are below those of last year but are generally above average. In the Pacific Coast States, indicated yields were below average and also below yields a year ago.

Since May 1, weather conditions have been favorable for the growth of the winter wheat crop in Missouri and in most of the area east of the Mississippi River. While rain continued considerably below average in Texas and western Oklahoma from May 1 - 18, there have been one or two good general rains in this area which have tended to arrest any further damage to the winter wheat crop. In the western two-thirds of Kansas and in Nebraska, rainfall during the first 3 weeks of May was less than one-third of normal and the wheat crop in this section has shown some further deterioration since May 1.

Unusually dry weather has prevailed throughout the greater part of the spring wheat belt since May 1, and prospects are unfavorable in Minnesota, where some of the grain is reported to have been blown out of the ground. In Montana, Nebraska, and the Dakotas, there has been little rain since May 1 and rainfall during April was well below normal. Although no serious damage to the spring wheat seedings has been reported for the entire spring wheat area so far, favorable development of the crop is dependent upon rains in the immediate future. No reports have been received indicating infestation of black rust so far this season. The number of grasshopper eggs is reported to be unusually large, indicating that there may be considerable grasshopper damage unless the Government control program is effective.

No change in estimate of July 1 carry-over

Wheat stocks in the United States on April 1 were estimated at 447 million bushels, about 115 million bushels larger than on that date last year. Total stocks on January 1 were estimated at 656 million bushels, indicating a total disappearance of 209 million bushels. The disappearance during the period, January-March, last year amounted to 201 million bushels, and 2 years ago, when supplies were small, the disappearance during this period was 172 million bushels. About 33 million bushels of this quantity were exported, or about 3 million bushels more than in the first quarter of 1938. The large April 1 stocks are not significantly different from expectations to justify a change in the estimate of the carry-over on July 1, 1939. This estimate as published in the April issue of the Wheat Situation is 275 million bushels, and includes about 6 million bushels of wheat held for crop insurance.

Table 4.-Wheat: Stocks in the United States, April 1, 1932-39

Position	1932	1933	1934	1935	1936	1937	1938	1939
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
On farms combined with interior mills and elevators	241,654	279,080	206,560	166,787	148,750	110,211	198,148	281,736
Commercial	207,215	135,552	97,132	51,882	49,919	34,741	54,426	82,689
Merchant mill stocks and stored for others 1/	91,420	100,267	91,720	74,852	72,046	65,983	79,851	82,481
Total	540,289	514,899	395,412	293,521	270,715	210,935	332,425	446,906

1/ Bureau of Census figures raised to represent all merchant mill and elevator stocks.

The 1939-40 domestic supply expected to be less than 1,000 bushels

While it is too early to forecast spring wheat yields, the present lack of moisture in the greater part of the spring wheat belt indicates that yields of spring wheat this year probably will again fall below the average yields during the past 20 years. Yields may not be materially above the average of the past 10 years, which contains a number of years when drought conditions substantially reduced the size of the crop. If spring wheat yields are about equal to the past 10-year average, and with a winter wheat crop as indicated above, the total production of wheat in 1939 would be about 700 million bushels. A crop of this size would be only 20 million bushels above the average domestic disappearance for the past 10 years, and would be 10 million bushels below the indicated domestic disappearance in 1938-39. Production as indicated above, together with the above indicated carry-over, would result in a total domestic supply of wheat for 1939-40 slightly less than 1,000 million bushels, compared with 1,084 million bushels in 1938-39.

Table 5 shows the supply and disposition of wheat for the years 1932-33 to 1938-39. The figures for 1938-39 are partial forecasts. Latest figures on sales of wheat for export would indicate that the exports of wheat for 1938-39 may be slightly larger than shown below, depending on how much of the wheat sold is exported before July 1. The figure on exports and shipments for 1938-39 listed below as 103 million bushels, applies to domestic wheat including flour. Three million bushels is included as the estimated quantity which will be shipped to insular possessions. The quantity of wheat milled from year to year remains comparatively stable, and the variation in domestic disappearance represents largely a change in the quantity of wheat fed to livestock from one year to another.

Table 5.- Supply and distribution of wheat in continental United States, 1932 to 1938

Crop year beginning July	Supply: Stocks July 1	Supply: New crop	Supply: Imports 1/	Supply: Total	Exports and shipments 1/	Stocks June 30	Disappearance 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
	With new wheat in commercial and merchant mill stocks						
1932	375	757	3/	1,132	35	378	719
1933	378	552	3/	930	28	274	628
1934	274	526	16	816	13	148	655
1935	146	626	34	808	7	142	659
1936	142	627	34	803	12	103	688
1937	103	876	3/	979	103	173	703
1938	173	931	3/	1,104	103		
	With only old wheat in all stocks position						
1937	83	876	3/	959	103	153	703
1938	153	931	3/	1,084	103	275	706

1/ From reports of Foreign and Domestic Commerce of the United States Imports include full-duty wheat, wheat paying a duty of 10 percent ad valorem, and flour in terms of wheat. Exports and shipments include regular exports plus shipments to Alaska, Hawaii, Puerto Rico and Virgin Islands, and include wheat and flour made wholly from domestic wheat.

2/ Balancing item.

3/ Less than 500,000 bushels.

Domestic wheat prices advanced sharply

The sharp advance in cash prices of wheat at domestic markets during the last half of April and early May was apparently due largely to the development of drought conditions in rather wide areas of the winter and spring wheat belts. While widespread damage to the wheat crop has not yet become apparent, these unfavorable conditions, together with the reduced 1939 acreage, indicate the possibility of a small wheat crop. The weekly average price of No. 2 Hard Winter wheat at Kansas City advanced from 69 cents for the week ended April 15 to 76 cents for the week ended May 20. Since advances in domestic wheat prices were accompanied by only slight increases in foreign prices, the disparity between domestic and foreign prices increased from the middle of April to the middle of May.

The course of domestic wheat prices during the next few months will be influenced primarily by further developments in the growth of the spring and winter wheat crops. If conditions are such as to result in a 1939 crop near or below our normal domestic consumption requirements, domestic wheat prices may be expected to continue substantially above an export parity level. If production is above our normal domestic requirements, prices will be influenced to quite an extent by the export subsidy program.

The 1939 wheat loan program

A wheat loan program for 1939 similar to that of 1938 has been announced by the Commodity Credit Corporation. The principal changes in the program are: (1) Upward adjustment in rates to farmers in the Great Plains area and the Pacific Northwest, (2) increase in rates at country points relative to rates at terminal markets by 1 cent per bushel in those areas where the loan values are computed on the basis of terminal prices, (3) increase in rates on Hard Red Spring, Hard Red Winter, and Hard White Wheat to include an allowance for protein premiums where farmers can obtain protein tests or certification of protein content of their wheat.

Under the new provisions, if No. 2 is used as the base grade, wheat grading No. 1 will receive a premium of 1 cent per bushel. Where No. 1 is used as the base, the loan on No. 2 would be 1 cent per bushel less, the loan on No. 3 would be 3 cents less, No. 4 would be 6 cents less and No. 5, 9 cents less.

The loan rates for 1939 are equivalent to between 54 and 55 percent of parity, which was 111.4 cents on April 15.

The rates announced for terminal markets are as follows: No. 2 Hard Winter, Kansas City, 77 cents, Omaha 76 cents, Chicago 80 cents, and gulf ports 85 cents. No. 1 Dark Northern Spring at Minneapolis 87 cents; No. 2 Red Winter at Chicago, 80 cents, St. Louis 80 cents, and No. 1 Soft White at Portland 73 cents. Loan rates for areas in the eastern part of the country are determined on the basis of farm prices rather than terminal prices. Rates at country points will be computed on the basis of these rates at principal markets as they were in 1938.

Loans will be made at 4 percent interest and will mature on wheat stored on farms on April 30, 1940. Loans on commercially stored wheat will run for 7 months from the date of the notes, but not later than April 30, 1940.

The 1939 loan rate may have somewhat more influence on wheat prices than the 1938 loan. The loan rates announced for terminal markets are about the same as only 1 or 2 cents below the weekly average cash prices at these markets for the week ended May 20. With a larger percentage of the wheat farmers cooperating this year than in 1938 more farmers will be eligible to take advantage of the loan and prices may be given more support by the program than last year.

Table 6.- Average closing prices of July wheat futures, specified markets and dates, 1938 and 1939

Date	Winnipeg 1/		Liverpool 1/		Buenos Aires		Chicago		Kansas City		Minneapolis	
	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Month-												
Feb.	119.0	62.9	111.5	64.2	---	---	89.9	68.4	87.1	62.9	101.6	71.1
Mar.	110.6	61.4	103.4	61.9	---	---	84.2	68.2	80.6	61.4	94.8	70.4
Apr.	111.6	61.7	100.3	61.1	---	---	80.9	68.5	76.9	61.7	89.9	71.4
Week ended												
Apr. 8	110.3	60.0	98.5	58.5	---	---	80.2	68.1	75.9	63.9	89.7	70.0
15	113.7	60.4	101.0	58.7	---	---	81.0	69.0	76.9	64.6	90.2	71.2
22	113.5	60.7	102.5	59.5	2/100.2	---	82.3	69.2	78.2	64.5	91.2	70.9
29	110.0	61.9	100.3	58.8	2/ 98.8	2/60.0	79.9	71.0	76.2	66.1	88.2	72.2
May 6	108.7	65.4	98.7	63.0	2/ 98.2	2/60.0	78.7	73.2	75.3	68.9	85.4	75.6
13	105.6	66.3	97.4	62.6	2/ 93.2	2/59.8	78.6	73.9	75.1	69.6	85.7	77.2
20	102.3	65.0	95.7	62.0	2/ 88.8	2/59.7	76.4	74.1	72.9	69.8	82.4	78.5
High 3/	113.7	66.3	102.5	63.0	2/100.2	2/60.0	82.3	74.1	78.2	69.8	91.2	78.5
Low 3/	102.3	60.0	95.7	58.5	2/ 93.2	2/59.7	76.4	68.1	72.9	63.9	82.4	70.0

1/ Conversions at Noon buying rate of exchange. 2/ June futures.
3/ April 8 to May 20, 1939, and corresponding dates for 1938.

Table 7.- Weighted average cash price of wheat, specified markets and dates, 1938 and 1939

Date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Month -												
Feb.	98.8	70.6	99.6	69.2	125.1	78.0	110.1	72.3	93.3	73.1	90.0	67.5
Mar.	93.0	71.0	91.5	68.7	119.2	77.0	105.3	73.7	91.6	73.2	86.2	67.5
Apr.	86.2	72.4	84.6	69.6	110.5	77.8	100.0	74.3	85.0	76.4	81.4	69.7
Week ended												
Apr. 8	85.6	71.3	83.9	68.7	109.1	76.6	98.7	73.6	85.6	74.9	82.2	67.9
15	86.8	72.4	85.3	69.4	110.0	78.9	97.7	73.9	84.8	75.6	80.2	69.2
22	87.7	72.8	86.1	69.4	115.0	77.3	101.4	74.4	85.7	76.0	82.0	70.1
29	84.4	73.2	82.8	70.8	108.5	78.8	100.7	74.8	83.2	78.4	80.2	71.4
May 6	83.9	77.5	80.6	74.5	113.1	82.4	93.0	77.6	79.7	82.3	79.8	72.7
13	84.9	78.7	81.9	74.7	106.3	83.4	89.3	77.5	79.8	83.1	79.3	70.9
20	82.9	80.1	81.6	76.0	104.2	86.3	88.8	78.3	78.5	80.9	77.3	---
High 2/	87.7	80.1	86.1	76.0	115.0	86.3	101.4	78.3	85.7	83.1	82.2	72.7
Low 2/	82.9	71.3	80.6	68.7	104.2	76.6	88.8	73.6	79.7	74.9	77.3	67.9

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ April 8 to May 20, 1939, and corresponding dates for 1938.

Acreage and Condition of Fall Sown Rye

Estimates of the 1939 rye acreage, in the 13 countries for which reports have been received, indicate a slight decrease, compared with that of last year (Table 12). The acreage remaining for harvest in the United States is placed at 4,079,000 acres, which is about 3 percent above the comparable figure for last year. The 1939 yield per acre of rye was, on May 1, indicated at 11.4 bushels, which would yield a total crop of 46,704,000 bushels. This estimate is 15 percent below the 1938 production, but is 29 percent above the average for the 1928-37 period.

The estimated acreage in the 11 European countries reporting is about 1 percent less than that of last year.

In most of the important rye producing areas of Europe, the condition of the crop is average or a little above average. In Germany the condition of the rye crop is a little above average and more favorable than the wheat crop in that country. In Poland, also, the crop condition is slightly above average. In Estonia the condition is satisfactory and in France it is reported as very satisfactory. In Soviet Russia, however, the winter rye prospects are reported to be generally poor.

Table 8.-Exports of wheat and wheat flour from the United States, 1937-38 and 1938-39

(Includes flour milled in bond from foreign wheat)

Period	Wheat		Wheat flour		Wheat including flour	
	1937-38	1938-39	1937-38	1938-39	1937-38	1938-39
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July-Mar.	59,084	64,063	3,688	4,449	76,420	84,974
Week ended 1/						
April 8	538	1,142	92	88	970	1,556
15	1,217	1,457	55	39	1,475	1,640
22	1,378	913	52	250	1,622	2,093
29	2,584	1,356	41	144	2,777	2,033
May 6	2,114	2,307	93	174	2,551	3,125
13	2,076	2/1,910	43	2/156	2,278	2/2,643

Compiled from reports of the Department of Commerce.

1/ Data for total exports from the United States by weeks are not available. These data represent exports through 16 of the principal ports.

2/ Preliminary.

Table 9.- Movement of wheat, including flour, from principal exporting countries, 1935-36 to 1938-39

Country	Exports as given by official sources: Total			July 1 to date shown			Date
	1935-36	1936-37	1937-38	1936-37	1937-38	1938-39	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States 1/	15,929	21,584	107,204	15,584	76,420	84,974	Mar. 31
Canada	237,447	213,028	94,546	189,497	81,215	127,467	Apr. 30
Argentina	76,577	162,977	69,670	98,686	42,964	45,311	Feb. 28
Australia	105,328	98,730	123,343	55,790	60,875	58,964	Feb. 28
Soviet Union	29,704	4,479	43,354	800	9,969	22,480	Sept. 30
Hungary	14,644	27,428	9,368	22,643	7,742	20,340	Mar. 31
Yugoslavia	728	17,954	5,012	11,768	4,626	4,632	Feb. 28
Rumania	6,392	36,264	32,962	25,613	29,490	34,645	Mar. 31
Bulgaria	938	7,273	8,484	5,035	5,947	178	Feb. 28
British India	2,556	16,571	19,677	8,061	12,122	8,589	Dec. 31
Total	490,293	606,288	513,620				

	Shipments as given by trade sources: Total		Week ended 1938-39			July 1 - May 13	
	1936-37	1937-38	Apr. 29	May 6	May 13	1937-38	1938-39
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	231,832	184,720	3,744	4,224	5,946	158,824	206,466
Canada 3/	213,028	94,546	1,290	2,060	--- 4/	81,480	4/129,530
United States 5/	10,395	83,651	2,033	3,125	2,643	74,136	81,012
Argentina	164,678	66,928	4,288	3,790	3,266	57,648	80,304
Australia	105,836	127,520	2,076	1,807	1,655	108,532	85,774
Soviet Union	88	42,248	88	0	0	40,032	39,824
Danube and Bulgaria 6/	65,544	37,320	872	680	848	35,232	43,304
British India	7/16,571	7/19,677	0	0	0	12,586	6,280
Total 8/	584,549	478,413				412,854	461,952
Total European shipments 2/	484,670	397,656	7,024			9/332,944	9/354,184
Total ex-European shipments 2/	127,192	99,400	4,576			9/ 80,296	9/115,192

1/ Includes flour milled in bond from foreign wheat. 2/ Broomhall's Corn Trade News. 3/ Official exports as reported to date, supplemented by reported weekly clearances of wheat, and estimates of flour shipments. 4/ To May 6 only. 5/ Official reports received from 16 principal ports only. 6/ Black Sea shipments only. 7/ Official. 8/ Total of trade figures includes North America as reported by Broomhall's but does not include items 2 and 3. 9/ To April 29.

Table 10.-Shipments of wheat, including flour from principal exporting countries, specified dates, 1937-38 and 1938-39

Period	Argentina		Australia		Danube		North America	
	1937-38	1938-39	1937-38	1938-39	1937-38	1938-39	1937-38	1938-39
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July-Mar.	49,016	58,088	79,488	73,252	32,784	36,952	140,960	182,248
Week ended -								
April 8 ...	1,032	3,208	4,520	2,840	688	272	1,456	3,752
15 ...	1,888	3,356	6,016	2,240	624	1,576	2,488	3,072
22 ...	1,824	4,103	3,988	1,904	528	1,424	2,336	3,480
29 ...	1,384	4,288	5,480	2,076	208	872	4,104	3,744
May 6 ...	1,484	3,790	3,784	1,807	272	680	3,816	4,224
13 ...	1,020	3,266	5,256	1,655	128	848	3,664	5,946
20 ...	1,328	3,866	2,868	2,228	360	1,808	3,224	6,624

Compiled from Broomhall's Corn Trade News.

Table 11.-Net imports of wheat, including flour, into European countries, year beginning July 1, 1937 and 1938

Country	1937-38	1938-39 forecast 1/	Reported net imports		
			July 1 to	1937-38	1938-39
	Mil. bu.	Mil. bu.		Mil. bu.	Mil. bu.
Belgium	36	39	Feb. 28	27	23
Czechoslovakia	2/ - 1	1	Aug. 31	2/ - 1	1
Denmark	6	7	Mar. 31	5	4
Finland	3	3	Mar. 31	2	2
France	15	2	Mar. 31	11	2
Germany)			Mar. 31	37	33
Austria)	54	45	Feb. 28	4	5
Greece	18	13	Feb. 28	10	8
Ireland	14	14	Mar. 31	11	12
Italy	5	18	Mar. 31	5	8
Latvia	1	0	Feb. 28	3/	3/
Netherlands	24	26	Mar. 31	18	22
Norway	7	8	Mar. 31	5	5
Poland	0	2/ - 3	Mar. 31	4/	2/ - 2
Portugal	1	3	Feb. 28	3/	4
Sweden	2/ - 1	0	Mar. 31	2/ - 1	1
Switzerland	14	17	Mar. 31	11	13
United Kingdom	193	217	Mar. 31	142	166
Total imports of above	391	413		288	309
Spain	3	15			
Total imports	394	428			
Total exports	2	3		2	2
Total net imports	392	425		286	307

1/ Forecasts by European offices of U. S. Department of Agriculture.
2/ Net exports. 3/ Less than 500,000 bushels.
4/ Net exports of less than 500,000 bushels.

Compiled from official sources except as otherwise stated.

Table 12.-Winter rye acreage in specified countries, 1937-1939
(Acreage sown, except as otherwise noted)

Country	1937	1938	1939
	1,000 acres	1,000 acres	1,000 acres
United States 1/	3,846	3,979	4,079
Canada 1/	894	741	755
Total (2)	4,740	4,720	4,834
Belgium	376	380	375
Bulgaria	426	436	423
Czechoslovakia 2/	1,587	1,660	1,642
France 3/	1,620	1,621	1,604
Germany 4/	10,403	10,410	10,186
Greece	160	170	155
Latvia	706	703	724
Lithuania	1,250	1,296	1,278
Poland	14,247	14,514	14,689
Rumania	1,052	1,177	939
Yugoslavia	548	549	533
Total (11)	32,375	32,916	32,548
Total (13)	37,115	37,636	37,382

1/ Acreage harvested or for harvest.
2/ New boundaries. Figure for 1937 is an estimate based on the percentage relationship between the old boundary acreage in 1937 and 1938.
3/ Plantings to January 1.
4/ Excludes Austria.

Table 13.-Acreage, yield, and production of rye in the United States

State	Acreage left for harvest for grain, 1939	Yield per acre: Average 1928-37	Yield per acre: 1938	Yield per acre: Indicated 1939	Production: Average 1928-37	Production: 1938	Production: Indicated 1939
	1,000 acres	bushels	bushels	bushels	1,000 bushels	1,000 bushels	1,000 bushels
Wis.	284	10.8	13.0	12.0	2,515	4,290	3,408
Minn.	514	14.8	18.0	16.0	6,138	9,846	8,224
N. Dak.	938	9.0	13.5	10.0	8,076	12,974	9,380
S. Dak.	612	10.2	16.0	10.0	3,714	10,176	6,120
Nebr.	445	9.2	11.5	10.0	2,770	4,796	4,450
Other States	1,286	---	---	---	13,117	12,957	15,122
U. S.	4,079	11.1	13.8	11.4	36,330	55,039	46,704

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